



International Brotherhood of Electrical Workers Local 728 Annuity Trust Fund



Date: June 2020
To: All Plan Participants with an Account Balance
From: Board of Trustees
Re: Coronavirus Aid, Relief and Economic Security (CARES) Act Distribution

SPECIAL CORONAVIRUS RELIEF DISTRIBUTION

Dear Participants:

The Board of Trustees of the IBEW Local 728 Annuity Trust Fund (the “Plan”) met to review the allowable provisions under the Coronavirus Aid, Relief and Economic Security (CARES) Act for the benefit of the Plan participants. As a result of that review and keeping in mind the intent of the retirement plan, the Trustees of the Plan will make available a special Coronavirus Relief Distribution to participants that apply and meet the requirements to be considered a ‘qualified individual’ under the provision of the CARES Act.

A ‘qualified individual’ will have the ability to request a one-time distribution of up to \$15,000, or 80% of their account balance, whichever is less. The deadline for application is December 15, 2020.

To be an eligible ‘qualified individual’ for the CARES Act distribution, applicants must meet any one of the following criteria:

- The participant has been diagnosed with COVID-19 by a CDC-approved test; or
- The participant’s spouse or dependent has been diagnosed with COVID-19 by a CDC-approved test; or
- The participant has experienced financial consequences as a result of:
 - Being quarantined;
 - Being furloughed, laid off, or having work hours reduced as a result of COVID-19;
 - Being unable to work due to a lack of childcare due to COVID-19; or
 - Faced with other factors related to COVID-19 as determined by the Secretary of the Treasury

Applicants will be required to certify that they are a ‘qualified individual’ and eligible for a CARES Act distribution.

ADMINISTRATIVE MANAGER:

National Employee Benefits Administrators, Inc.

2010 N.W. 150th Ave, Suite 100 • Pembroke Pines, FL 33028 • 1.800.842.5899 (Toll Free) • 954.266.6322 • 954.266.2079 (Fax)

www.nebainc.com

The Trustees would like to emphasize that contributions were made to the Plan to provide retirement benefits for the participants. Withdrawing funds from the Plan may severely and adversely impact a participant's retirement.

Here are some things to consider before taking a withdrawal from your retirement account.

- Your retirement plan account is meant to provide retirement income. It should be a last resort source of cash for expenses.
- You will need to pay taxes on the amount withdrawn.
- You may miss out on the growth opportunity of the money you withdraw.
- The amount you withdraw affects what is available to invest for retirement.

If you are eligible for this distribution, please consider exploring all other options to ensure this is appropriate for your situation.

Important Tax Information

If you are eligible and take a distribution, you may repay these distributions within three years beginning with the date of the distribution. Repayment is optional and you will not be required to repay the distribution. However, if you do repay the distribution you could avoid paying income tax on the distribution. For any portion repaid, the tax consequences of the initial distribution(s) will be subject to a tax refund or credit as determined by future guidance from the IRS. The Trustees encourage you to consult your own personal tax advisors on this option. Additional information regarding this repayment option will be available once guidance is issued by the Federal government. Your State income tax laws are different than the Federal income tax laws and the tax changes to the Federal laws noted above may not have been adopted by your State. It is therefore important that you contact your tax advisor to understand how a distribution related to COVID-19 will be treated under your State income tax laws.

You will be required to pay income taxes on the distribution unless you repay it as described above; however, the 10% penalty tax assessed by the IRS on distributions made before you reach age 59 ½ will not apply to distributions related to COVID-19. In addition, there is no mandatory 20% federal tax withholding requirement. You do have a three-year time span beginning with the date of the distribution to complete the tax payment. The IRS is expected to issue guidance regarding how taxes will be reported and paid over the three-year period, as well as the impact of repayment on taxes paid.

Please note that you are responsible for maintaining evidence of your eligibility for this distribution as a 'qualified individual' with your tax forms so that you may demonstrate, if required by the IRS, that this distribution meets the requirements for a qualified Coronavirus-Related Distribution when you file your taxes for 2020.

NOTE: If you are married, your spouse must consent to the distribution. If you are married or if you will have your distribution directly deposited to a joint bank account, your application will need to be notarized.

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How to Apply

Download the application package by visiting www.nebainc.com/ibew728cares/. Follow the instructions for completing the application and submit it to NEBA. **Applications may not be submitted directly to Vanguard.**

You may return your application to NEBA by uploading it through their secure website at www.nebainc.com/ibew728cares/. **This is the preferred method for submitting your application because your sensitive information will be encrypted in transit while being uploaded, and your application will be received faster.**

You may also contact the Fund Office to request an application be mailed to you.

Application Deadline

Completed applications must be received by NEBA no later than December 15, 2020. **Late applications will not be accepted.**

If you have any questions, please contact NEBA by telephone at 1-800-842-5899 or by email at 728retirement@secure.neba-fl.com.

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